

# FY 2012-13 BUDGET

## BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - SEA RANCH

### A. Program Description

This budget for Sanitation Zone - Sea Ranch (Zone 1) finances administration, operation, and maintenance of the collection system, pumping stations and two treatment plants.

### B. Financial Summary

Section				NET COST/USE OF FUND BALANCE		
	FY 11-12 Adopted	FY 12-13 Requested	Percent Change	FY 11-12 Adopted	FY 12-13 Requested	Percent Change
Operations	\$619,245	\$631,750	2.02%	\$116,419	\$102,430	(12.02%)
Construction	0	10,000	N/A	(550)	(550)	0.00%
<b>TOTAL:</b>	<b>\$619,245</b>	<b>\$641,750</b>	<b>3.63%</b>	<b>\$115,869</b>	<b>\$101,880</b>	<b>(12.07%)</b>

### C. Staffing Summary

No staffing is allocated to this index.

### D. Workload Summary

Workload Indicator	FY 10-11 Actual	FY 11-12 Budget Estimate	FY 11-12 Revised Estimate	FY 12-13 Projected	Change from FY 11-12 Budget Estimate
Total ESDs	574	576	576	577	0.17%
Total APNs	835	835	834	835	0.00%

### E. Summary of Issues and Significant Changes

The Sea Ranch Sanitation Zone (Sea Ranch SZ) consists of two wastewater collection and treatment systems located in Central and North Sea Ranch. The Central and North Facilities both provide treatment to secondary wastewater treatment standards and are designed to treat average daily dry weather flows of up to 27,000 and 160,000 gallons per day, respectively. Treated wastewater from both facilities is disposed of through irrigation. The Sea Ranch Water Company, which is owned by the Sea Ranch Association, is under contract to operate and maintain the Sea Ranch SZ facilities for the Agency. The Agency is working with the Gualala Community Services District and the Sea Ranch Golf Course on potential reuse and storage opportunities.

The requested rate per ESD for FY 12-13, annual sewer service charge, is \$949, representing a 5.0% increase from FY 11-12.

### F. Summary of Reduction Options

No reduction options are proposed.

### G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

# FY 2012-13 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

**Section Title:** SANITATION ZONE 1 - SEA RANCH - OPERATIONS  
**Section/Index No:** 678102

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
1001 Flat Charges - CY	\$499,876	\$525,670	\$25,794	5.16%
1061 Flat Charges - PY	2,000	2,100	100	5.00%
1120 Penalties / Costs on Taxes	400	450	50	12.50%
<b>Subtotal Taxes</b>	<b>\$502,276</b>	<b>\$528,220</b>	<b>\$25,944</b>	<b>5.17%</b>
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$550	\$1,100	\$550	100.00%
<b>Subtotal Use of Money</b>	<b>\$550</b>	<b>\$1,100</b>	<b>\$550</b>	<b>100.00%</b>
<b><u>CHARGES FOR SERVICES</u></b>				
3400 Sanitation Services	\$0	\$0	\$0	N/A
<b>Subtotal Charges for Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>OTHER FINANCING</u></b>				
4625 OT-Within SP Dist	\$0	\$0	\$0	N/A
<b>Subtotal Charges for Other Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>RESIDUAL EQUITY TRANSFER</u></b>				
4880 Ret-Between Entitles -BOS	\$0	\$0	\$0	N/A
<b>Subtotal Residual Equity Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL REVENUES</b>	<b>\$502,826</b>	<b>\$529,320</b>	<b>\$26,494</b>	<b>5.27%</b>

### EXPENDITURES:

#### **SERVICES AND SUPPLIES**

6040 Communications	\$3,000	\$3,000	\$0	0.00%
6140 Maintenance- Equipment	27,000	27,000	0	0.00%
6180 Maintenance - Bldgs / Imp	20,000	0	(20,000)	(100.00%)
6522 District Services	5,000	0	(5,000)	(100.00%)
6523 District Operations	61,000	55,000	(6,000)	(9.84%)
6540 Contract Services	250,000	300,000	50,000	20.00%
6570 Consultant Services	50,000	50,000	0	0.00%

<b>Sub-Object No. and Title</b>	<b>Adopted 2011-12</b>	<b>Requested 2012-13</b>	<b>Difference</b>	<b>Percent Change</b>
<b><u>SERVICES AND SUPPLIES (Cont'd)</u></b>				
6573 Administration Costs	4,500	4,500	0	0.00%
6610 Legal Services	1,000	1,000	0	0.00%
7206 Equipment Usage Charges	3,500	5,000	1,500	42.86%
7212 Chlorine Chem/Recorder	10,000	15,000	5,000	50.00%
7217 State Permits / Fees	25,000	25,000	0	0.00%
7247 Water Conservation Program	10,000	10,000	0	0.00%
7320 Utilities	18,000	10,000	(8,000)	(44.44%)
<b><i>Subtotal Services and Supplies</i></b>	<b><u>\$488,000</u></b>	<b><u>\$505,500</u></b>	<b><u>\$17,500</u></b>	<b><u>3.59%</u></b>
<b><u>OTHER CHARGES</u></b>				
7980 Depreciation	\$90,245	\$96,250	\$6,005	6.65%
<b><i>Subtotal Other Charges</i></b>	<b><u>\$90,245</u></b>	<b><u>\$96,250</u></b>	<b><u>\$6,005</u></b>	<b><u>6.65%</u></b>
<b><u>FIXED ASSETS</u></b>				
8560 Equipment	\$30,000	\$10,000	(\$20,000)	(66.67%)
<b><i>Subtotal Fixed Assets</i></b>	<b><u>\$30,000</u></b>	<b><u>\$10,000</u></b>	<b><u>(\$20,000)</u></b>	<b><u>(66.67%)</u></b>
<b><u>OTHER FINANCING USES</u></b>				
8625 OT - W/in Special Dist - BOS	\$0	\$10,000	\$10,000	N/A
<b><i>Subtotal Other Financing Uses</i></b>	<b><u>\$0</u></b>	<b><u>\$10,000</u></b>	<b><u>\$10,000</u></b>	<b><u>N/A</u></b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
9000 Appropriations for Contingencies	\$11,000	\$10,000	(\$1,000)	(9.09%)
<b><i>Subtotal Appropriations for Contin.</i></b>	<b><u>\$11,000</u></b>	<b><u>\$10,000</u></b>	<b><u>(\$1,000)</u></b>	<b><u>(9.09%)</u></b>
<b>TOTAL EXPENDITURES</b>				
	<b>\$619,245</b>	<b>\$631,750</b>	<b>\$12,505</b>	<b>2.02%</b>
<b>TOTAL NET COST</b>				
<i>(Expenditures Minus Revenues)</i>	<b>\$116,419</b>	<b>\$102,430</b>	<b>(\$13,989)</b>	<b>(12.02%)</b>

**FY 2012-13 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation  
**Section Title:** Sanitation Zone - Sea Ranch - Operations

**Character Title:** Taxes

**Character No.:** 678102-10

**1001 Flat Charges - CY**

Flat charge revenue from annual sewer service charges is expected to increase from the adopted FY 11-12 budget. The rate will increase 5.0%, from \$904 to \$949.

ESDs times annual rate:	577 x <b>\$949</b>	\$547,573
Less Estimated Delinquency Factor:	4%	(21,903)
		<hr/>
		\$525,670

(See SubObject 3400 for Total ESDs)

**1061 Flat Charges - PY**

This item records the estimated delinquent amount of prior years sewer service charges.

**1120 Penalties / Costs on Taxes**

This item records penalties paid on delinquent sewer service charges.

**Character Title:** Use of Money

**Character No.:** 678102-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$200,000
Projected Interest Rate	<hr/> 0.55%
Projected/Planned Interest on Pooled Cash	\$1,100

**Character Title:** Charges for Service

**Character No.:** 678102-30

**3400 Sanitation Services**

This account is used to record annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges-CY, in the following year.

The budget request for the forthcoming fiscal year assumes no revenue in this account. New hook-ups in this area are unpredictable.

**6040 Communications**

This account records expenses paid by the Sea Ranch SZ for outside communication and wireless services, as well as for the cost of alarm services.

**6140 Maintenance - Equipment**

This account records the costs for routine maintenance of equipment.

**6523 District Operations**

This account records the cost of labor and overhead associated with operations and maintenance of the Zone's facilities. We anticipate the need for continued groundwater monitoring, collection system inflow and infiltration investigation, system improvement planning, and general oversight of operations.

**6540 Contract Services**

This account reflects the contract costs for the Sea Ranch Water Company to operate both the North and Central treatment plants.

**6570 Consultant Services**

This account records the cost of consultant services required in support of special projects including Permitting and Regulatory Assistance (\$50,000) PJ # TBD.

**6573 Administration Costs**

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

**6610 Legal Services**

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

**7206 Equipment Usage Charges**

This item is requested to provide funds for equipment usage.

**7212 Chlorine Chemical/Recorder**

This sub-object provides funds for the purchase of chlorine gas used in chlorinating water prior to transporting to customers. This sub-object also provides funds for caustic soda required by the pH systems.

**7217 State Permits / Fees**

This account records the cost of Sea Ranch Sanitation Zone waste discharge requirements issued by Regional Water Quality Control Board.

**Character Title: Services and Supplies (Continued)**

**Character No.: 678102-60**

**7247 Water Conservation**

This account records the cost of the High Efficiency Fixture Direct Install Program with the goal of inflow reduction and the retrofit of old, high water using fixtures.

**7320 Utilities**

This account records the cost of payments made for utilities such as gas, electricity, and water.

**Character Title: Other Charges**

**Character No.: 678102-75**

**7980 Depreciation**

Generally Accepted Accounting Principles require that depreciation be expensed each year.

**Character Title: Fixed Assets**

**Character No.: 678102-85**

**8560 Equipment**

This records the cost of purchased equipment over the cost of \$5,000.

**Character Title: Other Financing Uses**

**Character No.: 678102-86**

**8625 OT - W/in Special Dist - BOS**

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

**Character Title: Appropriations for Contingencies**

**Character No.: 678102-90**

**9000 Appropriations for Contingencies**

This account provides funding for unanticipated expenditures or revenue shortfalls.

# FY 2012-13 BUDGET

## STATEMENT OF SPECIAL FUND ACTIVITY

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Sanitation Zone - Sea Ranch - Operations  
**Index No.:** 678102

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$251,167</b>	<b>\$333,713</b>	<b>\$303,030</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	508,523	506,531	529,320
Expenditures - (Decrease) fund balance	(516,726)	(627,453)	(631,750)
<b>Net Surplus or Deficit</b> - Increase/(Decrease) to fund balance	(8,203)	(120,922)	(102,430)
<b>Adjustments to Reserves/Encumbrances:</b>			
7980 - Depreciation	90,239	90,239	96,250
Change in Encumbrance	510	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	90,749	90,239	96,250
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
<b>Available for Budgeting</b>	<b>\$333,713</b>	<b>\$303,030</b>	<b>\$296,850</b>
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$82,545</b>	<b>(\$30,683)</b>	<b>(\$6,180)</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/010</b>	<b>7/1/11</b>	
Cash	\$281,872	\$357,011	
Accounts Receivable	2,393	5,268	
Accounts Payable	(32,513)	(28,491)	
Encumbrance	(585)	(75)	
<b>Total Beginning Fund Balance</b>	<b>\$251,167</b>	<b>\$333,713</b>	

# FY 2012-13 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

Section Title: **SANITATION ZONE 1 - SEA RANCH - CONSTRUCTION**  
 Section/Index No: **678300**

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
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### REVENUES:

#### USE OF MONEY

1700 Interest on Pooled Cash	\$550	\$550	\$0	0.00%
<b>Subtotal Use of Money</b>	<b>\$550</b>	<b>\$550</b>	<b>\$0</b>	<b>0.00%</b>

#### OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$0	\$10,000	\$10,000	N/A
<b>Subtotal Other Financing Sources</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>N/A</b>

<b>TOTAL REVENUES</b>	<b>\$550</b>	<b>\$10,550</b>	<b>\$10,000</b>	<b>1818.18%</b>
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### EXPENDITURES:

#### FIXED ASSETS

8510 Buildings / Improvements	\$0	\$0	\$0	N/A
9142 Capital Replacement Program	0	10,000	10,000	N/A
<b>Subtotal Fixed Assets</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>N/A</b>
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<b>TOTAL NET COST</b>	<b>(\$550)</b>	<b>(\$550)</b>	<b>\$0</b>	<b>0.00%</b>
<i>(Expenditures Minus Revenues)</i>				



## FY 2012-13 BUDGET

### CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Sea Ranch - Construction

Character Title: Use of Money

Character No.: 678300-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$100,000
Projected Interest Rate	<u>0.55%</u>
Projected/Planned Interest on Pooled Cash	\$550

Character Title: Other Financing Sources

Character No.: 678300-46

**4625 OT - W/in Special Dist - BOSS**

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the capital replacement program.

Character Title: Fixed Assets

Character No.: 678300-85

**8510 Buildings / Improvements**

This account is used for expenses associated with facility upgrades or expansion of the collection system, lift station and capacity at the Sea Ranch wastewater treatment facilities. There are no planned projects for FY12-13.

**9142 Capital Improvement**

This accounts used for expenses associated with the replacement of electrical and mechanical equipment (including the replacement of items most likely to reduce operation and maintenance costs).

# FY 2012-13 BUDGET

## STATEMENT OF SPECIAL FUND ACTIVITY

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Sanitation Zone - Sea Ranch - Construction  
**Index No.:** 678300

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$140,874</b>	<b>\$141,781</b>	<b>\$143,021</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	903	1,240	10,550
Expenditures - (Decrease) fund balance	-	-	(10,000)
<b>Net Surplus or Deficit</b> - Increase/(Decrease) to fund balance	903	1,240	550
<b>Adjustments to Reserves/Encumbrances:</b>			
Change in Encumbrances	4	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	4	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
<b>Available for Budgeting</b>	<b>\$141,781</b>	<b>\$143,021</b>	<b>\$143,571</b>
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$907</b>	<b>\$1,240</b>	<b>\$550</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/010</b>	<b>7/1/11</b>	
Cash	\$144,620	\$141,781	
Payables	(3,742)	-	
Encumbrances	(4)	-	
<b>Total Beginning Fund Balance</b>	<b>\$140,874</b>	<b>\$141,781</b>	